

 Early Warning System

DFC-2024-SHARAKACAPITAL

Sharaka Capital Fund TA



Quick Facts

Countries	Egypt, Jordan, Morocco, Palestine, West Bank, Gaza, Tunisia
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	U
Borrower	Sharaka Capital Management
Sectors	Finance, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	\$ 3.50 million
Project Cost (USD)	\$ 6.50 million



Project Description

According to the Bank's website, DFC will provide pre and post investment Technical Assistance to Sharaka Capital Management. The objective of the Pre-Investment Services is to assist Sharaka Capital Management, a first-time fund manager, in the finalization of structuring for Sharaka Capital Fund (the "Fund") to bring the proven innovation of Revenue Capital for risk financing to growth-oriented family SMEs to the MENA region, as final design with Limited Partners / Investors is completed. The objectives of the Post-Investment Services are to (1) establish ESG policies for the proposed Sharaka Capital Fund Technical Assistance Facility (TAF), and (2) provide technical assistance to SCF investee SMEs, through the TAF, to achieve sustainable growth.

Sharaka Capital Fund (SCF), through DFC's debt investment, will offer a single, revenue based investment instrument for SMEs that cannot access adequate financing. The proposed Technical Assistance Facility will fund expert advisory services that will increase the developmental impact of DFC's loan by enabling SME investees to expand their reach by utilizing best practices, including ESG best practices.

DFC is planning to provide SCF with a \$50 million long-term loan that will be repaid in 15 years. The proceeds of the DFC loan will be used primarily to finance the downstream shareholder loans to SMEs in the region. The target Fund size for first closing is \$100 million and will consist of the \$50 million DFC loan and \$50 million in cash equity.



Investment Description

- US International Development Finance Corporation (DFC)

\$ 3,500,000 in Technical Assistance Funds.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Sharaka Capital Management](#) (Financial Intermediary)



Private Actors Description

Sharaka Capital Management is the fund manager of Sharaka Capital Fund.



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: <https://www.dfc.gov/foia>

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: <https://www.dfc.gov/who-we-are/office-accountability>



Bank Documents

- [Project Disclosure](#) [\[Original Source\]](#)